

**ARIZONA CORPORATION COMMISSION**  
**UTILITIES DIVISION**

**ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY**

W-02237A  
Orange Grove Water Company  
P. O. Box 889  
Yuma, AZ 85366

**RECEIVED**

APR 13 2006

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

**ANNUAL REPORT**

**FOR YEAR ENDING**

12	31	2005
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**SEE ACCOUNTANT'S COMPILATION REPORT**

FOR COMMISSION USE

ANN04	05
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entered  
4-13-06  
RF

## COMPANY INFORMATION

Company Name (Business Name) <u>ORANGE GROVE WATER COMPANY, INC</u>		
Mailing Address <u>P O Box 889</u>		
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85366-0889</u> (Zip)
<u>928-726-8272</u> Telephone No. (Include Area Code)	<u>N/A</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		
Local Office Mailing Address <u>P O Box 889</u>		
<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85366-0889</u> (Zip)
<u>928-726-8272</u> Local Office Telephone No. (Include Area Code)	<u>N/A</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)
Email Address <u>N/A</u>		

## MANAGEMENT INFORMATION

Management Contact: <u>KATHLEEN M DAY</u>		<u>PRESIDENT</u>	
(Name)		(Title)	
<u>P O Box 889</u> (Street)	<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85366-0889</u> (Zip)
<u>928-726-8272</u> Telephone No. (Include Area Code)	<u>N/A</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			
On Site Manager: <u>KATHLEEN M DAY</u>			
(Name)			
<u>P O Box 889</u> (Street)	<u>Yuma</u> (City)	<u>AZ</u> (State)	<u>85366-0889</u> (Zip)
<u>928-726-8272</u> Telephone No. (Include Area Code)	<u>N/A</u> Fax No. (Include Area Code)	<u>N/A</u> Pager/Cell No. (Include Area Code)	
Email Address <u>N/A</u>			

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: GLENN J. GIMBUT  
(Name)

1206 SOUTH 41<sup>ST</sup> AVE YUMA  
(Street) (City)

AZ  
(State)

85364  
(Zip)

928-627-2027  
Telephone No. (Include Area Code)

—  
Fax No. (Include Area Code)

—  
Pager/Cell No. (Include Area Code)

Attorney: GLENN J. GIMBUT  
(Name)

1206 SOUTH 41<sup>ST</sup> AVE YUMA  
(Street) (City)

AZ  
(State)

85364  
(Zip)

928-627-2027  
Telephone No. (Include Area Code)

—  
Fax No. (Include Area Code)

—  
Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

### OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) \_\_\_\_\_

### COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☒ YUMA

☐ STATEWIDE

COMPANY NAME

ORANGE GROVE WATER COMPANY Inc

**UTILITY PLANT IN SERVICE**

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	—		
302	Franchises	—		
303	Land and Land Rights	3739	—	3739
304	Structures and Improvements	30000	18500	11500
307	Wells and Springs	11699	11699	—
311	Pumping Equipment	16509	11287	5222
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	3504	3504	—
331	Transmission and Distribution Mains	138530	133750	4780
333	Services	11264	11264	—
334	Meters and Meter Installations	5076	5076	—
335	Hydrants	8906	6164	2742
336	Backflow Prevention Devices	—		
339	Other Plant and Misc. Equipment	—		
340	Office Furniture and Equipment	15775	10670	5105
341	Transportation Equipment	1424	894	530
343	Tools, Shop and Garage Equipment	1200	35	1165
344	Laboratory Equipment	—	—	—
345	Power Operated Equipment	—	—	—
346	Communication Equipment	—	—	—
347	Miscellaneous Equipment	—	—	—
348	Other Tangible Plant	—	—	—
	<b>TOTALS</b>	<b>247626</b>	<b>212843</b>	<b>34783</b>

This amount goes on the Balance Sheet Acct. No. 108

**SEE ACCOUNTANT'S COMPILATION REPORT**

COMPANY NAME

ORANGE GROVE WATER COMPANY INC

**CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR**

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	—	—	—
302	Franchises	—	—	—
303	Land and Land Rights	3739	N/A	—
304	Structures and Improvements	30000	5%	1500
307	Wells and Springs	11699	5%	—
311	Pumping Equipment	16509	5%	825
320	Water Treatment Equipment	—	—	—
330	Distribution Reservoirs and Standpipes	3504	5%	—
331	Transmission and Distribution Mains	138530	5%	6129
333	Services	11264	5%	—
334	Meters and Meter Installations	5076	5%	—
335	Hydrants	8906	5%	95
336	Backflow Prevention Devices	—	—	—
339	Other Plant and Misc. Equipment	—	—	—
340	Office Furniture and Equipment	15775	5%	789
341	Transportation Equipment	1424	5%	71
343	Tools, Shop and Garage Equipment	1200	5%	35
344	Laboratory Equipment	—	—	—
345	Power Operated Equipment	—	—	—
346	Communication Equipment	—	—	—
347	Miscellaneous Equipment	—	—	—
348	Other Tangible Plant	—	—	—
	<b>TOTALS</b>	<b>247 626</b>		<b>9454</b>

This amount goes on the Comparative Statement of Income and Expense  
Acct. No. 403.

**SEE ACCOUNTANT'S COMPILATION REPORT**

COMPANY NAME ORANGE GROVE WATER COMPANY INC

## BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>ASSETS</b>		
	<b>CURRENT AND ACCRUED ASSETS</b>		
131	Cash	\$ 14,619	\$ 8,055
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets	18,221	16,446
	<b>TOTAL CURRENT AND ACCRUED ASSETS</b>	\$ 32,840	\$ 24,501
	<b>FIXED ASSETS</b>		
101	Utility Plant in Service	\$ 243,589	\$ 247,626
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	203,389	212,843
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	<b>TOTAL FIXED ASSETS</b>	\$ 402,000	\$ 347,833
	<b>TOTAL ASSETS</b>	\$ 730,400	\$ 592,844

**NOTE:** The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

**SEE ACCOUNTANT'S COMPILATION REPORT**

COMPANY NAME ORANGE GROVE WATER COMPANY INC

**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	<b>LIABILITIES</b>		
	<b>CURRENT LIABILITES</b>		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	2035	2227
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	<b>TOTAL CURRENT LIABILITIES</b>	\$ 2035	\$ 2227
	<b>LONG-TERM DEBT (Over 12 Months)</b>		
224	Long-Term Notes and Bonds	\$	\$
	<b>DEFERRED CREDITS</b>		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	52188	52188
272	Less: Amortization of Contributions	26092	31310
281	Accumulated Deferred Income Tax		
	<b>TOTAL DEFERRED CREDITS</b>	\$ 26096	\$ 20878
	<b>TOTAL LIABILITIES</b>	\$ 28131	\$ 23105
	<b>CAPITAL ACCOUNTS</b>		
201	Common Stock Issued	\$ 4070	\$ 4070
211	Paid in Capital in Excess of Par Value	1934	1934
215	Retained Earnings	38905	30175
218	Proprietary Capital (Sole Props and Partnerships)		
	<b>TOTAL CAPITAL</b>	\$ 44909	\$ 36179
	<b>TOTAL LIABILITIES AND CAPITAL</b>	\$ 73040	\$ 59284

**SEE ACCOUNTANT'S COMPILATION REPORT**

COMPANY NAME ORANGE GROVE WATER COMPANY INC

**COMPARATIVE STATEMENT OF INCOME AND EXPENSE**

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 96471	\$ 92541
460	Unmetered Water Revenue	—	—
474	Other Water Revenues	—	—
	<b>TOTAL REVENUES</b>	\$ 96474	\$ 92541
	<b>OPERATING EXPENSES</b>		
601	Salaries and Wages	\$ 45565	\$ 46647
610	Purchased Water	—	—
615	Purchased Power	—	—
618	Chemicals	—	—
620	Repairs and Maintenance	9350	6587
621	Office Supplies and Expense	23334	18853
630	Outside Services	1580	1050
635	Water Testing	2205	375
641	Rents	—	—
650	Transportation Expenses	551	566
657	Insurance – General Liability	5686	5405
659	Insurance - Health and Life	—	—
666	Regulatory Commission Expense – Rate Case	—	—
675	Miscellaneous Expense	—	—
403	Depreciation Expense	10112	9454
408	Taxes Other Than Income	4267	4231
408.11	Property Taxes	5156	15452
409	Income Tax	50	1491
	<b>TOTAL OPERATING EXPENSES</b>	\$ (107856)	\$ 110111
	<b>OPERATING INCOME/(LOSS)</b>	\$ (11382)	\$ (17570)
	<b>OTHER INCOME/(EXPENSE)</b>		
419	Interest and Dividend Income	\$ 37	\$ 22
421	Non-Utility Income	8818	8818
426	Miscellaneous Non-Utility Expenses	—	—
427	Interest Expense	—	—
	<b>TOTAL OTHER INCOME/(EXPENSE)</b>	\$ 8855	\$ 8840
	<b>NET INCOME/(LOSS)</b>	\$ (2527)	\$ (8730)

**SEE ACCOUNTANT'S COMPILATION REPORT**



COMPANY NAME ORANGE GROVE WATER COMPANY INC

**SUPPLEMENTAL FINANCIAL DATA**

**Long-Term Debt**

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued	N/A	N/A	N/A	N/A
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ NONE

Meter Deposits Refunded During the Test Year

\$ NONE

**SEE ACCOUNTANT'S COMPILATION REPORT**

COMPANY NAME ORANGE GLOBE WATER COMPANY INC

## WATER COMPANY PLANT DESCRIPTION

### WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
14266		30		200		
14266		30		270		

\* Arizona Department of Water Resources Identification Number

### OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
		10	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
2000	1	5000	1

**SEE ACCOUNTANT'S COMPILATION REPORT**

COMPANY NAME ORANGE GROVE WATER COMPANY INC

**WATER COMPANY PLANT DESCRIPTION (CONTINUED)**

**MAINS**

Size (in inches)	Material	Length (in feet)
2		
3		
4		
5		
6	CAST IRON	
8	CAST IRON	
10		
12		

**CUSTOMER METERS**

Size (in inches)	Quantity
5/8 X 3/4	
3/4	300
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

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STRUCTURES:

N/A

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OTHER:

N/A

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**SEE ACCOUNTANT'S COMPILATION REPORT**

COMPANY NAME: ORANGE GROVE WATER COMPANY INC

**WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005**

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLON PUMPED (Thousands)
JANUARY	311	2310300	2310
FEBRUARY	312	2356410	2356
MARCH	313	2367590	2368
APRIL	315	2535990	2536
MAY	316	2761460	2761
JUNE	312	3328740	3329
JULY	313	3402090	3402
AUGUST	314	3466520	3467
SEPTEMBER	314	3567510	3568
OCTOBER	314	3157210	3157
NOVEMBER	315	3137560	3138
DECEMBER	315	2488580	2489
TOTAL		34879960	34881

Is the Water Utility located in an ADWR Active Management Area (AMA)?

☒ Yes      ☐ No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

☐ Yes      ☒ No

If yes, provide the GPCPD amount: \_\_\_\_\_

What is the level of arsenic for each well on your system. .0040 mg/l  
(If more than one well, please list each separately.)

*Note: If you are filing for more than one system, please provide separate data sheets for each system.*

**SEE ACCOUNTANT'S COMPILATION REPORT**

COMPANY NAME \_\_\_\_\_ YEAR ENDING 12/31/2005

**PROPERTY TAXES**

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 15452

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**SEE ACCOUNTANT'S COMPILATION REPORT**

#0514

03/25

\$3,849.07

ORANGE GROVE WATER CO. INC.  
P.O. BOX 889  
YUMA, AZ 85366-0889

DATE 3-21-05

PAY TO THE ORDER OF Yuma Co. Treas. \$ 3849.07  
Three Thousand Eight Hundred Forty Nine dollars

Arizona Bank  
40000019  
Fidelity Bank

61221057441 86454906 0514 0000384907

ORANGE GROVE WATER CO. INC.  
P.O. BOX 889  
YUMA, AZ 85366-0889

DATE 12-15-05

PAY TO THE ORDER OF Yuma County Treasurer \$ 3366.20  
Three Thousand Three Hundred Sixty Six dollars

1st BANK YUMA  
1000 S. 3rd Avenue  
Yuma, AZ 85304

FOR C.0014724 2nd 1/2 2002 Kathleen Day

00000020 612210590610086462222 0000336620

#1002 Posted 12/22/05 \$3,366.20

ORANGE GROVE WATER CO. INC.  
P.O. BOX 889  
YUMA, AZ 85366-0889

DATE 11-11-05

PAY TO THE ORDER OF Yuma Co. Treas. \$ 3666.02  
Three Thousand Six Hundred Sixty Six dollars

Compass Bank  
Yuma, Arizona 2nd 1/2 - 2004

FOR 40000019 Kathleen Day

61221057441 0086462222 6229 0000366602

#6229 Posted 11/18/05 \$3,666.02

ORANGE GROVE WATER CO. INC.  
P.O. BOX 889  
YUMA, AZ 85366-0889

6131

Date 6-27-05

91-574/1221  
950

Pay to the Order of Yuma Co. Treasurer \$ 3710.73

Three Thousand Seven Hundred Ten Dollars 73/100 Dollars



For 1st 1/2 2004 - 40000019

Kathleen Day

⑆122105744⑆ 0086462222⑆ 6131 ⑈0000371073⑈

ORANGE GROVE WATER CO. INC.  
P.O. BOX 889  
YUMA, AZ 85366-0889

6126

Date 6-21-05

91-574/1221  
950

Pay to the Order of Yuma Co. Treas. \$ 609.65

Six Hundred Nine Dollars 65/100 Dollars



Yuma, Arizona 14-104-40-118-00-3

For R0011606 2nd 2004

Kathleen Day

⑆122105744⑆ 0086462222⑆ 6126 ⑈0000060965⑈

0.00 \*

3,849.07\*\*  
3,666.02 +  
3,366.20 +  
3,710.73 +  
609.65 +  
250.24 +

ORANGE GROVE WATER CO. INC.  
P.O. BOX 889  
YUMA, AZ 85366-0889

6127

Date 6-21-05

91-574/1221  
950

Pay to the Order of Yuma Co. Treas. \$ 250.24

Two Hundred Fifty Dollars 24/100 Dollars



Yuma, Arizona 14-104-40-093-00-3

For R0011581 - 2nd 1/2 2004

Kathleen Day

⑆122105744⑆ 0086462222⑆ 6127 ⑈0000025024⑈

15,451.91 \*

SEE ACCOUNTANT'S COMPILATION REPORT

**VERIFICATION  
AND  
SWORN STATEMENT  
Taxes**

**RECEIVED**

APR 13 2006

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

**VERIFICATION**

STATE OF ARIZONA  
I, THE UNDERSIGNED  
OF THE

COUNTY OF (COUNTY NAME)	<u>YUMA</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>KATHLEEN M DAY</u>
COMPANY NAME	<u>ORANGE GROVE WATER COMPANY INC</u>

**DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION**

**FOR THE YEAR ENDING**

MONTH	DAY	YEAR
12	31	2005

**HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.**

**SWORN STATEMENT**

**I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

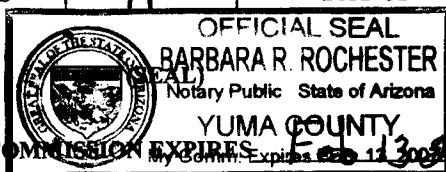
**I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.**

*Kathleen M Day*  
SIGNATURE OF OWNER OR OFFICIAL  
928-726-8272  
TELEPHONE NUMBER

**SUBSCRIBED AND SWORN TO BEFORE ME**

**A NOTARY PUBLIC IN AND FOR THE COUNTY OF**

**THIS** 11 **DAY OF**



COUNTY NAME	<u>Yuma</u>
MONTH	<u>April</u> 20 <u>06</u>

*Barbara R Rochester*  
SIGNATURE OF NOTARY PUBLIC

**MY COMMISSION EXPIRES** Feb 13 2007



COMPANY NAME ORANGE GROVE WATER COMPANY Inc YEAR ENDING 12/31/2005

**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>137</u>
Estimated or Actual Federal Tax Liability	<u>21</u>

State Taxable Income Reported	<u>479</u>
Estimated or Actual State Tax Liability	<u>50</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>—</u>
Amount of Gross-Up Tax Collected	<u>—</u>
Total Grossed-Up Contributions/Advances	<u>—</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

**CERTIFICATION**

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

x Kathleen M. Day  
SIGNATURE

3-14-06  
DATE

KATHLEEN M. DAY  
PRINTED NAME

PRESIDENT  
TITLE

**SEE ACCOUNTANT'S COMPILATION REPORT**

12/31/05

## 2005 BOOK DEPRECIATION SCHEDULE

PAGE 1

CLIENT 0325

ORANGE GROVE WATER COMPANY, INC.

86-0285858

3/13/06

02:14PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 1120																
AUTO / TRANSPORT EQUIPMENT																
19	CHEVY VAN	5/31/93		1,424							1,424	823	S/L	20		71
TOTAL AUTO / TRANSPORT EQUIP																
				1,424		0	0	0	0	0	1,424	823				71
FIRE HYDRANTS																
30	HYDRANTS	VARIOUS		6,069							6,069	6,069	S/L	20		0
39	FIRE HYDRANT	4/18/05		2,837							2,837		S/L	20		95
TOTAL FIRE HYDRANTS																
				8,906		0	0	0	0	0	8,906	6,069				95
FURNITURE AND FIXTURES																
14	COMPUTER SOFTWARE	6/01/91		1,044							1,044	728	S/L	20		52
15	COMPUTER HARD DISK	5/01/92		1,571							1,571	1,000	S/L	20		79
23	OFFICE FURN & EQUIPMENT	VARIOUS		8,522							8,522	6,613	S/L	20		426
31	485 COMPUTER & EQUIPMENT	8/31/95		2,312							2,312	1,160	S/L	20		116
32	COMPUTER & SCANNER	11/01/00		1,326							1,326	330	S/L	20		66
35	COMPUTER EQUIPMENT	11/13/04		1,000							1,000	50	S/L	20		50
TOTAL FURNITURE AND FIXTURE																
				15,775		0	0	0	0	0	15,775	9,881				789
IMPROVEMENTS																
16	WATER TANK	10/01/92		6,500							6,500	3,981	S/L	20		325
17	WATER TANK - REPLACEMENT	7/01/92		3,750							3,750	2,350	S/L	20		188
22	WATER TANKS - EQUIPMENT	5/01/93		3,755							3,755	2,193	S/L	20		188

12/31/05

## 2005 BOOK DEPRECIATION SCHEDULE

PAGE 2

CLIENT 0325

ORANGE GROVE WATER COMPANY, INC.

86-0285858

3/13/06

02:14PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
24	TRANS & DISTR MAINS	VARIOUS		124,525							124,525	119,087	S/L	20		5,438
	TOTAL IMPROVEMENTS			138,530		0	0	0	0	0	138,530	127,611				6,139
	LAND															
4	LAND AND LAND RIGHTS	1/01/73		900							900					0
	TOTAL LAND			900		0	0	0	0	0	900	0				0
	MISCELLANEOUS															
25	WELLS & SPRINGS	1/01/81		11,699							11,699	11,699	S/L	20		0
27	DISTRIBUTION RESERVOIRS	VARIOUS		3,504							3,504	3,504	S/L	20		0
28	SERVICES	VARIOUS		11,264							11,264	11,264	S/L	20		0
29	METERS	VARIOUS		5,076							5,076	5,076	S/L	20		0
	TOTAL MISCELLANEOUS			31,543		0	0	0	0	0	31,543	31,543				0
	PUMPS															
26	ELECTRIC PUMP EQUIPMENT	VARIOUS		10,728							10,728	10,077	S/L	20		536
34	NEW WELL PUMP-INSTALLED	8/27/03		5,781							5,781	385	S/L	20		289
	TOTAL PUMPS			16,509		0	0	0	0	0	16,509	10,462				825
	SHOP EQUIPMENT															
38	GOLF CART	5/21/05		1,200							1,200		S/L	20		35
	TOTAL SHOP EQUIPMENT			1,200		0	0	0	0	0	1,200	0				35

SEE ACCOUNTANT'S COMPILATION REPO

12/31/05

## 2005 BOOK DEPRECIATION SCHEDULE

PAGE 3

CLIENT 0325

ORANGE GROVE WATER COMPANY, INC.

86-0285858

3/13/06

02:14PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS ALLOW.	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAGE /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
	TOTAL DEPRECIATION			214,787		0	0	0	0	0	214,787	186,389				7,954
	FORM 1120 - RESIDENTIAL RENTAL															
	BUILDINGS															
20	RESIDENCE - SOMERTON AZ	8/17/93		30,000							30,000	17,000		S/L	20	1,500
	TOTAL BUILDINGS			30,000		0	0	0	0	0	30,000	17,000				1,500
	LAND															
21	LAND - SOMERTON HOUSE	8/17/93		2,839							2,839					0
	TOTAL LAND			2,839		0	0	0	0	0	2,839	0				0
	TOTAL DEPRECIATION			32,839		0	0	0	0	0	32,839	17,000				1,500
	GRAND TOTAL DEPRECIATION			247,626		0	0	0	0	0	247,626	203,389				9,454

**THEODORE F. GAFFIN**

**Certified Public Accountant  
250 West 24<sup>th</sup> Street - Suite G  
Yuma, Arizona 85364-8506**

Office Phone 928-782-3704  
Home Phone 928-342-6015  
Cell Phone 928-503-2710  
Fax 928-782-0955  
Email [tfgaffincpa@theriver.com](mailto:tfgaffincpa@theriver.com)

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**ACCOUNTANT'S COMPILATION REPORT**

Orange Grove Water Company  
P. O. Box 889  
Yuma, Arizona 85366-0889

March 13, 2006

I have compiled the balance sheet of Orange Grove Water Company (A Corporation) as of December 31, 2005, and the related statement of income and expense and the supplementary information for the year then ended included in the accompanying prescribed form in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

My compilation was limited to presenting in the form prescribed by the State of Arizona Corporation Commission Utilities Division information that is the representation of management. I have not audited or reviewed the financial statements and supplementary information referred to above and, accordingly, do not express an opinion or any other form of assurance on them.

These financial statements and supplementary information are presented in accordance with the requirements of the State of Arizona Corporation Commission Utilities Division, which differ from generally accepted accounting principals. Accordingly, these financial statements and supplementary information are not designed for those who are not informed about such differences.

  
\_\_\_\_\_  
THEODORE F. GAFFIN  
Certified Public Accountant

RECEIVED

APR 13 2006

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

VERIFICATION  
AND  
SWORN STATEMENT  
Intrastate Revenues Only

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)	<u>Yuma</u>
NAME (OWNER OR OFFICIAL) TITLE	<u>KATHLEEN M DAY</u>
COMPANY NAME	<u>ORANGE GROVE WATER COMPANY Inc</u>

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
<u>12</u>	<u>31</u>	<u>2005</u>

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 99390

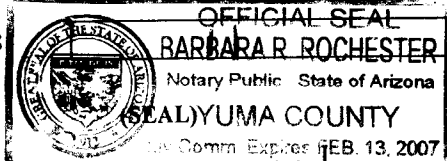
(THE AMOUNT IN BOX ABOVE  
INCLUDES \$ 6849  
IN SALES TAXES BILLED, OR COLLECTED)

\*\*REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS



DAY OF

COUNTY NAME	<u>Yuma</u>
MONTH	<u>April</u> . <u>2006</u>

Kathleen M. Day  
SIGNATURE OF OWNER OR OFFICIAL  
928-726-8272  
TELEPHONE NUMBER

Barbara R. Rochester  
SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES Feb 13, 2006

VERIFICATION  
AND  
SWORN STATEMENT  
RESIDENTIAL REVENUE  
INTRASTATE REVENUES ONLY

**RECEIVED**

APR 13 2006

VERIFICATION

AZ CORPORATION COMMISSION  
DIRECTOR OF UTILITIES

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Yuma</u>	
NAME (OWNER OR OFFICIAL) <u>KATHLEEN M DAY</u>	TITLE <u>PRESIDENT</u>
COMPANY NAME <u>ORANGE GLOBE WATER COMPANY Inc</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

**SWORN STATEMENT**

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 99390

(THE AMOUNT IN BOX AT LEFT  
INCLUDES \$ 649  
IN SALES TAXES BILLED, OR COLLECTED)

\*RESIDENTIAL REVENUE REPORTED ON THIS PAGE  
MUST INCLUDE SALES TAXES BILLED.

x Kathleen M. Day  
SIGNATURE OF OWNER OR OFFICIAL

928-726-8272  
TELEPHONE NUMBER

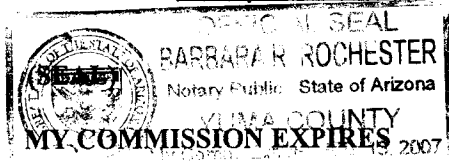
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

11

DAY OF



NOTARY PUBLIC NAME <u>Barbara R Rochester</u>	
COUNTY NAME <u>Yuma</u>	
MONTH <u>April</u>	20 <u>06</u>

x Barbara R Rochester  
SIGNATURE OF NOTARY PUBLIC